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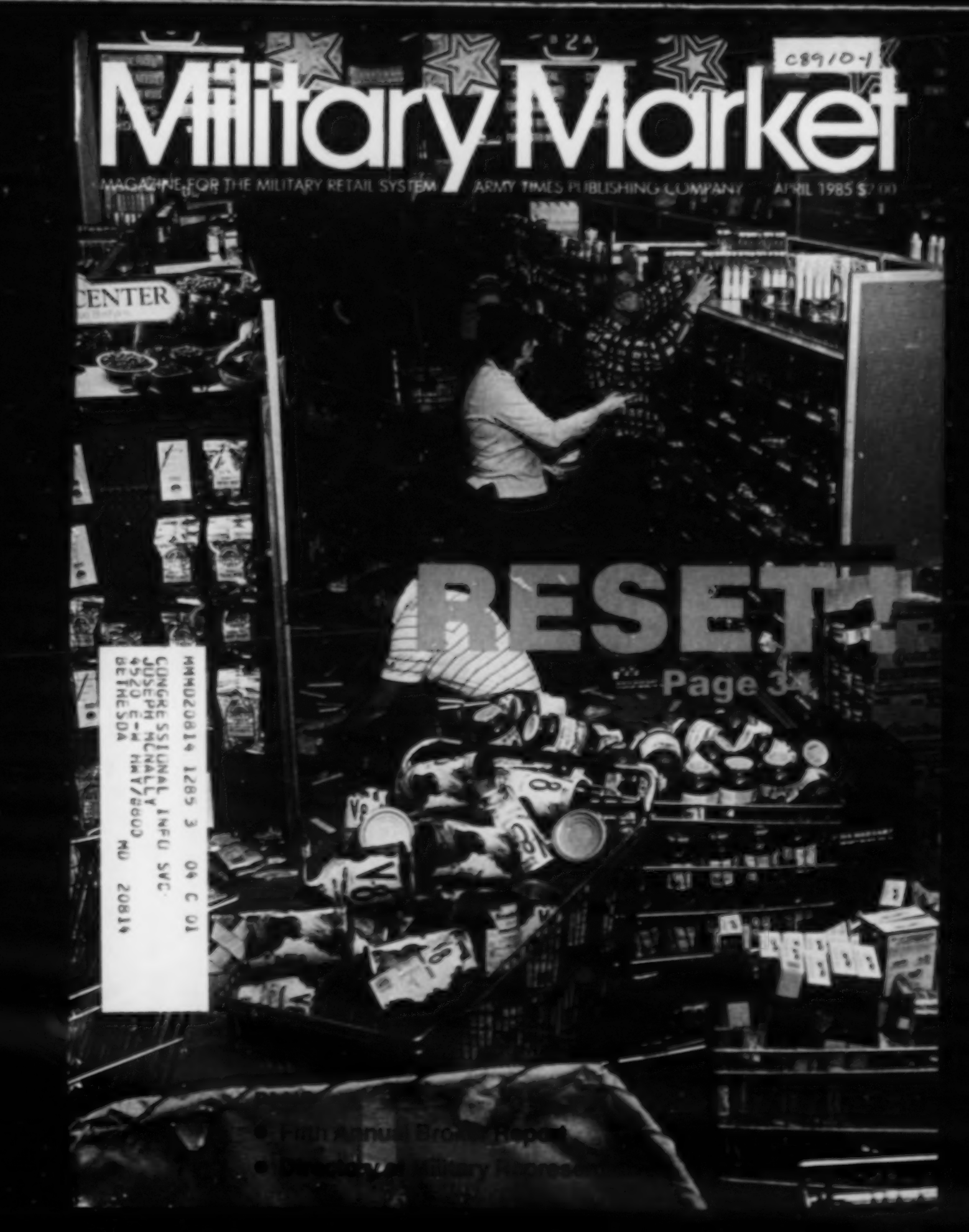

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- Film Annual Brochure Report
- Directory of Military Resorts

Military Market serving the military retail system

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Military Market survey

Reps Sound Off

Centralized Buying Is the Biggest Change

WHAT BUGS military representatives the most when it comes to dealing with the resale system? According to MILITARY MARKET's April survey, the biggest frustrations include consolidated or centralized buying, a lack of professionalism on the military's part — and AAFES.

This month 62 military representatives, participating in an anonymous mail survey, shared their views on the state of the military resale system.

Though this month's survey drew a wide variety of views, the reps overall indicated that two of the biggest changes they had seen since entering the business were consolidated or centralized buying and an enormous lack of professionalism within the resale agencies.

One survey participant, annoyed by centralized buying, said, "The exchanges are not a K mart. They are a unique identity for serving the military customer." Another rep explained that centralized buying had created a lack of control at the local and regional levels.

A significant number of reps expressed concern over what they described as unprofessionalism. One believes the problem is with the buyers — "They are not concerned about buying the best product at the best possible price."

Another respondent said the biggest change has been "the growth of the exchange business into what it is today — a giant — wielding too much power while not really knowing what they are doing." Another said, "The system has too much red tape."

From a newcomer: "The systems are disorganized and very difficult to do business with. They should take lessons from retail purchasing agents." In addition, said several others, there is a continuous anti-rep attitude prominent within the system.

Several said, however, there had been some changes for the better. "The caliber of people working for the resale agencies has greatly improved since we entered this business," said one 21-year veteran.

Though the majority of respondents said they had not experienced any store-level problems when it came to servicing their lines, milreps who said they had had problems pointed to limited store hours as the culprit. Though each store differs, many stores have reduced vendor days to two per week. "On those days vendors are kept waiting for hours because of managerial meetings. The service reps who live on or near the base frequently are asked to return again tomorrow because the supervisors are too busy."

Milreps are split over whether the systems have effectively been retailing their products at the store level. Though more are inclined toward being pleased with the services' merchandising, those who responded that they had difficulties said it was mainly due to poor management and the lack of ability to merchandise goods. One rep with 35 years of experience said, "They are not as sharp at merchandising as the civilians." Another said, "They do not promote items that need some explaining."

Shelf space was also mentioned by several as being a problem. "There are few commissaries that really set up merchandising systems. Many VPRs are lost . . . because commissaries' display of slow items use up space which should be given to faster-moving VPRs."

Problems experienced when it comes to shipping and transporting products included restricted delivery hours, shipments of smaller quantities and pickups that often do not materialize. "Shipping smaller quantities through distributors results in extra distribution costs to achieve lower inventory."

There was a wide range of issues reps think are currently the biggest problem in dealing with the resale systems. Despite the federal Fast Pay Act, several reps said getting paid (especially by DPSC) was a major problem.

Other complaints included constant buyer turnover, especially within the Navy, a lack of profit motivation at all the services and dealing with AAFES. "AAFES has an extremely slow reaction time to new items, updating product assortments and price reductions."

Despite the gripes and the pessimism, not everybody thinks the picture is bleak. Said one newcomer: "I wouldn't change a thing. It's the best business to be in. I love it!" MM

1 — DO YOU DEAL WITH COMMISSARIES, EXCHANGES, OR BOTH? Commissaries — 10. Exchanges — 21. Both — 31.
2 — DOES YOUR COMPANY DEAL WITH CIVILIAN STORES? Yes — 22. No — 36. No response — 4.
3 — DO YOU DEAL WITH THE SYSTEMS PRIMARILY AT THE HEADQUARTERS, REGION/COMPLEX, OR STORE LEVEL? Headquarters — 3. Region — 2. Store — 4. Region and store — 11. Region and headquarters — 4. At all levels — 38.*
4 — HOW LONG HAVE YOU BEEN INVOLVED IN THE MILREP BUSINESS? Average commissary rep — 19.2 years. Average exchange rep — 21.8 years. Average years overall — 20.5.
5 — DID YOU WORK FOR ONE OF THE RESALE AGENCIES BEFORE YOU BEGAN WORKING AS A MILREP? Commissary rep — 2. Exchange rep — 4. Commissary and exchange rep — 3.
6 — WHAT IS THE BIGGEST CHANGE YOU'VE SEEN SINCE ENTERING THE BUSINESS? See story.
7 — HAS THIS BEEN GOOD OR BAD? See story.
8 — HAVE YOU EVER EXPERIENCED ANY STORE-LEVEL PROBLEMS WITH YOUR SALES PERSONNEL BEING DENIED ACCESS OR GIVEN ONLY LIMITED ACCESS TO SERVICE THEIR LINES? Yes — 21. No — 37. No comment — 4. **PLEASE DESCRIBE.** See story.
9 — DO YOU FEEL THAT THE EXCHANGES/COMMISSARIES THAT YOU HAVE BEEN DEALING WITH HAVE BEEN EFFECTIVELY RETAILING YOUR PRODUCTS? Yes — 28. No — 21.Yes and No — 3. No comment — 10. **IF NOT, WHAT SHORTCOMINGS HAVE YOU ENCOUNTERED?** See story.
10 — HAVE YOU EVER EXPERIENCED ANY PROBLEMS REGARDING THE TRANSPORT AND STORAGE OF YOUR PRODUCTS ON THEIR WAY TO THE EXCHANGE/COMMISSARY (i.e., extra shipping charges, exorbitant distribution fees, etc.)? Yes — 8. No — 46. No comment — 8. **PLEASE DESCRIBE.** See story.
11 — WHAT IS YOUR BIGGEST PROBLEM IN DEALING WITH THE RESALE SYSTEM TODAY? See story.
12 — IF YOU COULD CHANGE ONE THING ABOUT THE RESALE BUSINESS, WHAT WOULD IT BE? See story.
*Adds to more than 62 because of multiple responses.

Military Market Index

Commissaries

		DECEMBER			YEAR-TO-DATE		
		CY'84	CY'83	%	CY'84	CY'83	%
Air Force	CONUS	$149,352	162,220	-7.93	$1,606,601	$1,767,640	+2.20
	OVERSEAS	31,854	33,195	-4.04	360,817	352,091	+2.48
	TOTAL	**181,206**	**195,415**	**-7.27**	**2,167,418**	**2,119,731**	**+2.25**
Army	CONUS	110,040	115,185	-4.47	1,277,325	1,252,532	+1.98
	OVERSEAS	35,070	37,800	-7.22	401,205	396,859	+1.10
	TOTAL	**145,110**	**152,985**	**-5.15**	**1,678,530**	**1,649,391**	**+1.77**
Navy	CONUS	76,088	73,089	+4.10	738,446	675,068	+9.39
	OVERSEAS	9,477	8,755	+8.25	88,391	78,307	+12.88
	TOTAL	**85,565**	**81,844**	**+4.55**	**826,837**	**753,375**	**+9.75**
Marines	CONUS	14,612	13,938	+4.84	160,289	140,920	+13.74
	OVERSEAS	263	241	+9.13	2,621	2,328	+12.59
	TOTAL	**14,875**	**14,179**	**+4.91**	**162,910**	**143,248**	**+13.73**
Coast Guard	CONUS	293	330	-11.21	3,133	3,533	-11.32
	OVERSEAS	281	236	+19.07	3,320	2,399	+38.39
	TOTAL	**574**	**566**	**+1.41**	**6,453**	**5,932**	**+8.78**
All Commissaries	CONUS	350,385	364,762	-3.94	3,985,794	3,839,693	+3.81
	OVERSEAS	76,945	80,227	-4.09	856,354	831,964	+2.93
	TOTAL	**$427,330**	**$444,989**	**-3.97**	**$4,842,148**	**$4,671,677**	**+3.65**
Grocery Stores	U.S.[1]	**$23.212 bil.**	**$22.675 bil.**	**+2.37**	**$258.396 bil.**	**$243.913 bil.**	**+5.94**

Exchanges

AAFES	CONUS	$331,424	$322,458	+2.78	$2,853,388	$2,821,031	+1.15
	OVERSEAS	196,339	183,681	+6.89	1,878,265	1,862,325	+0.86
	TOTAL	**527,763**	**506,139**	**+4.27**	**4,731,653**	**4,683,356**	**+1.03**
Navy	CONUS[2]	116,261	112,802	+3.07	1,090,248	1,055,069	+3.33
	OVERSEAS[2]	47,171	44,601	+5.76	452,726	443,757	+2.02
	TOTAL[2]	**163,432**	**157,403**	**+3.83**	**1,542,974**	**1,498,826**	**+2.95**
Marines	CONUS	34,972	35,984	-2.81	344,418	342,983	+0.42
	OVERSEAS	5,991	5,681	+5.46	58,555	56,185	+4.22
	TOTAL	**40,963**	**41,665**	**-1.68**	**402,973**	**399,168**	**+0.95**
Coast Guard	CONUS[3]	8,570	8,393	+2.11	76,852	75,277	+2.09
	OVERSEAS[3]	1,064	1,144	-6.99	9,954	10,265	-3.03
	TOTAL[3]	**9,634**	**9,537**	**+1.02**	**86,806**	**85,542**	**+1.48**
Mail Order	CONUS[4]	1,849	2,598	-28.83	15,123	16,149	-6.35
	OVERSEAS[4]	5,307	5,776	-8.12	48,768	47,320	+3.06
	TOTAL[4]	**7,156**	**8,374**	**-14.55**	**63,891**	**63,469**	**+0.66**
All Exchanges	CONUS	493,076	482,235	+2.25	4,380,029	4,310,509	+1.61
	OVERSEAS	255,872	240,883	+6.22	2,448,268	2,419,852	+1.17
	TOTAL	**$748,948**	**$723,118**	**+3.57**	**$6,828,297**	**$6,730,361**	**+1.46**
Department Stores	U.S.[1]	**$20.534 bil.**	**$18.980 bil.**	**+8.19**	**$129.333 bil.**	**$116.656 bil.**	**+10.87**

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ships stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard.

NOTE: 1983 Army sales data has been adjusted to reflect revised data received from the U.S. Army Troop Support Agency.

Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges, and exchange sales include concession volume.